

PROPOSITION ____
I-24-2008; TRANSPORTATION AND INFRASTRUCTURE
MOVING ARIZONA'S ECONOMY ACT

ANALYSIS BY LEGISLATIVE COUNCIL

Beginning in January 2010, Proposition ____ would increase various taxes for thirty years. The transaction privilege tax (“sales tax”) and the use tax would be increased from 5.6 cents per one dollar to 6.6 cents per one dollar (a 17.8% tax increase). Additionally, the mining severance tax would be increased from 2.5 cents per one dollar to 3.5 cents per one dollar (a 40% tax increase). These tax increases would be referred to as the transportation improvement excise tax. The monies collected from the levy of the transportation improvement excise tax would be used for this state's transportation system including state and interstate highway improvement projects, passenger rail systems, local, regional and intercity transportation, campsites and preservation of open spaces and wildlife habitats. Under Proposition ____, the state board of transportation would be authorized to issue bonds for these purposes and to use the excise tax revenues as security for the bonds.

Proposition ____ would distribute the transportation improvement excise tax as follows:

1. Fifty-five per cent (55%) into the highway TIME fund, to be used as described below.
2. Eighteen per cent (18%) into the rail TIME fund, to be used as described below.
3. Twenty per cent (20%) for local transportation purposes.
4. Four per cent (4%) for transportation enhancement projects such as developing safe school routes, scenic beautification and environmental mitigation.
5. Three per cent (3%) into the open space conservation and wildlife habitat fund, to be used as described below.

Under Proposition ____, fifty-five per cent (55%) of the transportation improvement excise tax would be deposited into the highway TIME fund and would be used for projects such as the planning, construction and improvement of state highways and state routes and the acceleration of state and interstate highway improvement projects. Of the monies deposited into the highway TIME fund:

1. Forty-nine per cent (49%) would be used on projects that are authorized by the state transportation board and that are located in any county with a population of more than 2,500,000 persons.
2. Thirty-nine per cent (39%) would be used on projects that are authorized by the state transportation board and that are located in any county with a population of 1,000,000 persons or less.
3. Twelve per cent (12%) would be used on projects that are authorized by the state transportation board and that are located in any county with a population of more than 1,000,000 persons but not more than 2,500,000 persons.

Under Proposition ___, eighteen per cent (18%) of the transportation improvement excise tax would be deposited into the rail TIME fund and would be used for projects such as constructing, operating and maintaining passenger rail systems of statewide significance and funding local, regional and intercity transportation. Of the monies deposited into the rail TIME fund:

1. Eight per cent (8%) would be allocated to the transportation authority that performs regional public transportation planning and programming for any county with a population of more than 2,500,000 persons.
2. Five per cent (5%) would be allocated to the transportation authority that performs regional public transportation planning and programming for any county with a population of more than 1,000,000 persons but not more than 2,500,000 persons.
3. Eighty-seven per cent (87%) would be used for passenger and freight rail.

Under Proposition ___, three per cent (3%) of the transportation improvement excise tax would be deposited into the open space conservation and wildlife habitat fund and would be used to protect, maintain or recover wildlife habitats and open space in this state that are affected directly or indirectly by transportation projects. Monies in the open space conservation and wildlife habitat fund would be used to fund projects based on the priorities identified in the Arizona state wildlife action plan or the Arizona game and fish department wildlife management plan and could be used to purchase real property. The monies would be distributed through a grant program.

Proposition ___ would also allow the department of transportation to consider proposals, both solicited and unsolicited, and enter into agreements for public-private partnerships for any transportation project.

Proposition ___ would require that periodic, independent audits be performed on the past expenditures of the state public transportation system and the projects scheduled for funding. Proposition ___ would also require for each passenger rail project that a passenger rail project committee be appointed in order to coordinate the department of transportation's project planning.